

Fiscal Note

State of Alaska
2022 Legislative Session

Bill Version:	CSHB 292(HSS)
Fiscal Note Number:	3
(H) Publish Date:	4/20/2022

Identifier: HB292-DOA-OAH-02-24-22
Title: HOME AND COMMUNITY-BASED WAIVER SERVICES
Sponsor: SNYDER
Requester: (H) HSS

Department: Department of Administration
Appropriation: Centralized Administrative Services
Allocation: Office of Administrative Hearings
OMB Component Number: 2771

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below.

(Thousands of Dollars)

	FY2023 Appropriation Requested	Included in Governor's FY2023 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2023	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Personal Services			56.4	56.4			
Travel							
Services			5.0	5.0			
Commodities			5.0	5.0			
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	66.4	66.4	0.0	0.0	0.0

Fund Source (Operating Only)

1007 I/A Rcpts (Other)			66.4	66.4			
Total	0.0	0.0	66.4	66.4	0.0	0.0	0.0

Positions

Full-time							
Part-time			1.0	1.0			
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2022) cost: 0.0 (separate supplemental appropriation required)

Estimated CAPITAL (FY2023) cost: 0.0 (separate capital appropriation required)

Does the bill create or modify a new fund or account? No
(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed? N/A

Why this fiscal note differs from previous version/comments:

Not applicable, initial version.

Prepared By: Ken Truitt, Legislative Liaison
Division: Office of the Commissioner
Approved By: Leslie Isaacs, Administrative Services Director
Agency: Department of Administration

Phone: (907)465-8464
Date: 02/24/2022
Date: 02/25/2022

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2022 LEGISLATIVE SESSION

Analysis

Termination or Reduction of Medicaid Home and Community-Based Waiver Services, §1915(k) Community Choice Services, and Personal Care Services

This bill makes termination and reduction of Medicaid Home and Community-Based Waiver Services, §1915(k) Community Choice Services, and Personal Care Services subject to the provision of AS 47.07.045. The current version of the statute only applies to the complete termination of Medicaid Home and Community-Based Waiver Services.

This bill also amends AS 47.07.045 to require that prior to any termination or reduction of these services, that the Department must conduct an assessment that shows that the recipient can function and live independently in a home setting without the services, in the event of termination, or at the reduced level of services, in the event of reduced services. Before any such reduction or termination occurs, the assessment must be reviewed by an independent third-party reviewer. This section also removes and relocates some definitions to a different portion of the statute.

This bill will allow a "legally responsible person" (parent of a minor, guardian, spouse) to provide personal care services to a recipient, and will allow recipients who had their services reduced between January 1, 2019 and January 1, 2022 to request a reassessment.

Impact and Implementation Cost for the Office of Administrative Hearings

The Office of Administrative Hearings (OAH) hears appeals from the Department of Health and Social Service's (DHSS) decisions regarding Medicaid Home and Community-Based Waiver Services, Community Choice Services and Personal Care Services.

The effect of these proposed changes upon OAH's caseload, staffing requirements, and cost impact is difficult to project where, as here, there is an independent third-party reviewer. It is possible that the inclusion of termination/reduction in individual Waiver services and the termination/reduction of Personal Care Services and §1915(k) services could result in less terminations/reduction of services, and a consequential *reduction* in hearing requests. However, the independent third-party reviewer could also generally defer to DHSS's assessments and not reverse or change DHSS's conclusions on termination/reduction. In other words, the third-party review process and its effect on OAH's caseload is difficult to project with any degree of accuracy.

At the same time, it is anticipated that allowing legally responsible parties to be Personal Care Services providers would result in a slight increase in hearing requests. It has been OAH's experience that when a Personal Care Services provider is closely tied to the recipient (such as non-spouse significant other, relative, or close friend), there is vigorous advocacy for continued or increased services. Furthermore, it is unclear what the effect of the reassessment/retroactivity provision would be and whether this would also result in additional hearing requests.

For these reasons, it is difficult to determine the effect of the proposed legislation would have on OAH's caseload. Thus, the department has submitted a fiscal note showing the fiscal impact OAH could conceivably see in FY2024 and FY2025. Increase in caseloads most likely would not occur until the latter part of FY2023 and any increase in FY2023 should be capable of being absorbed by current staffing.

One part-time Administrative Law Judge 1 (range 24, Anchorage) is required for increase in litigation activity that could result from this legislation. The need for this position is not anticipated after FY2025 as litigation will likely slow after the initial increase, and should be able to be absorbed by existing OAH personnel.